

# Available for Work

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The national recession began more than 16 months ago. In December of 2007 there were 7.4 million unemployed workers in the United States. Over these recent months the ranks of the jobless have risen relentlessly. By June 2008, the number of unemployed increased by another 1.5 million. Six months later two million more were unemployed, and by March 2009, another three million, reaching a total of 13.9 million workers who were willing to work but couldn't find a job.

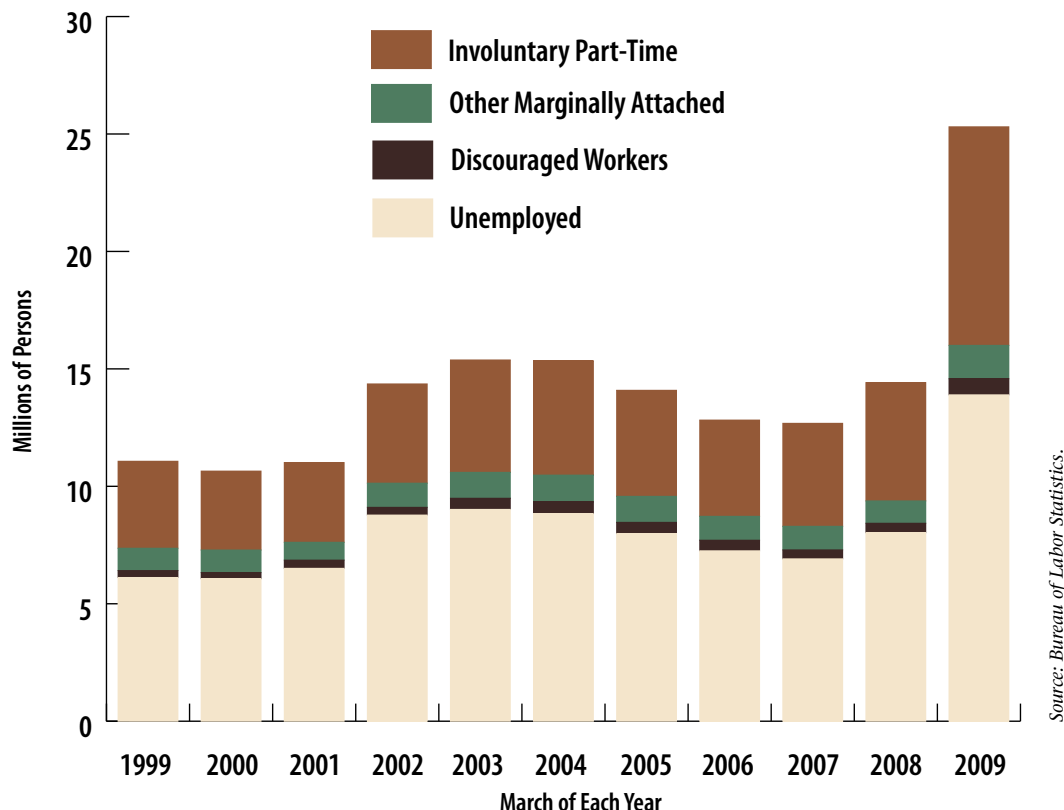
The unemployment rate—the ratio of the unemployed compared to the total labor force (employed plus the unemployed)—has increased by 3.6 percentage points on a seasonally adjusted basis, from 4.9 percent in December 2007 to 8.5 percent by February 2009.

While the official unemployment rate is a key indicator of the lack of job availability, no single statistical measure completely captures the current conditions of the labor market. This is particularly true when it comes to unemployment and underemployment.

Someone is classified as unemployed if they do not currently have a job, are available to work, and have actively searched for work during the most



## Unemployed and Underemployed in the United States



recent four weeks. This definition has been quite consistently applied, with minor modifications, since its inception in 1940. It has also been recognized for a long time that, particularly in times of recession, the unemployment rate does not comprehensively reflect the difficulties people are facing in the labor market. The Bureau of Labor Statistics has developed broader measures to capture workers who are underutilized, unemployed or underemployed.

Discouraged workers are defined as those who are available for work and have searched for work in the prior year, even though they are not currently looking because they feel their search would be in vain. Since December 2007, discouraged worker estimates have increased from 363,000 to 685,000. One can also add all “marginally attached workers,” not just discouraged workers. Marginally attached workers are defined as persons who are neither working nor looking for work but indicate that they want to, are available for a job, and have looked for work sometime in the past year. This group includes those who are not currently looking for work for

reasons such as lack of child care or transportation. Using this definition, there would be another 440,000 people added to the unemployed over the past 16 months.

Finally, there are many workers, underemployed, who have a part-time job and want to work full-time or who were working full-time but are having to work a reduced schedule because of the slack demand their company faces. These people are sometimes referred to as involuntary part-time workers, or officially counted by the government as “persons who worked part-time for economic reasons.” Since December of 2007, the number of involuntary part-time workers has increased by 4.6 million, from 4.75 million people to 9.3 million.

When you add all of this together, the unemployment and underemployment rate in March would be 15.6 percent nationally compared to the official unemployment rate of 8.5 percent. No matter how you measure it, this recession is causing serious employment and financial problems for many millions of Americans. 📍

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